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DHS CLTS Fiscal Memo #01-14

To: County Waiver Agency (CWA) Fiscal Staff
From: DHS Children's Long Term Support (CLTS) Waivers Fiscal Staff
Re: **Calendar Year (CY) 2013 CLTS Reconciliation Final Steps and Notifications**

This memo covers two topics related to the finalization of the CY 2013 CLTS Reconciliation process:

- Final notification of CLTS reconciled data.
- Recoupment of service expenses not payable with CLTS waiver funding.

Final Notification of CLTS Reconciled Data

With this memo, each CWA has received a notification of the CWA's final reconciled CY 2013 CLTS data, as reflected in the final allocations of Community Aids Reporting System (CARS) voucher #090421.

The notification is separated into two parts: CLTS-Other and CLTS-Autism (if applicable). Each part is further separated into the three CLTS Waiver target groups:

- Developmental Disabilities (DD);
- Severe Emotional Disturbances (SED); and
- Physical Disabilities (PD).

The CLTS-Other notification reports final payable amounts and CWA unpaid obligation by comparing allowable expense activity of adjusted Third Party Administrator (TPA) claims data as reported by the CWA in the CLTS CY 2013 Reconciliation Packet to the CWA contract amounts. Specifically, the notification reports:

- The CWA's unpaid non-federal obligation above the General Purpose Revenue (GPR) contract (Column D), which is illustrated by comparing non-federal (state match) expense activity with the GPR contract.
- Final allowable federal expenses (Column A).
- The amounts of the county obligation initially paid with local funding sources,¹ if applicable. These sources include:

¹ Please note that the local funding source amounts in the notification only include amounts identified through the TPA claims data. These amounts do not include any additional funding applied through the separate COP and Family Support reconciliation processes. Please see COP and FS CY 2013 final notifications provided by Sue Liegel, of the Bureau of Financial Management, for this information.

- Basic County Allocation (Community Aids and/or Tax Levy) funded expenses are reported on CARS Profile 918;
- Family Support (FS) Program funded expenses reported on CARS Profile 919; and
- Community Options Program (COP) funded expenses reported on CARS Profile 920.
- The cash adjusted amount, which recoups expenses not eligible for CLTS waiver reimbursement, such as waiver services paid during a child's stay in an ineligible setting and cost share collections (if applicable). CY 2013 expenses not eligible for CLTS waiver reimbursement are reported on CARS Profile 921. Please see the "Final Cash Back Adjustments" section for more details.
- The amount of CWA reported administrative expenses that were paid with CLTS funding. This may include CWA requested variances, if approved, above the seven percent administrative funding cap.

The CLTS-Autism notification provides the final total amounts paid for both service and administrative expenses. This is because CLTS state and federal funding pay all allowable CLTS-Autism expenses. Therefore, the final federal and GPR contracts match adjusted expense activity.

Recoupment of Service Expenses Not Payable With CLTS Waiver Funding

The Department of Health Services (DHS) must recoup service expenses that were paid through the TPA that are subsequently determined to be ineligible for state and federal funding through the reconciliation process. Specifically, this includes cost share collected from participants by CWA's and services provided during inpatient hospital stays that CWA's reported in the CLTS CY 2013 Reconciliation packets. The process of recouping service expenses that cannot be paid with CLTS Waiver funding is different for CLTS-Other vs. CLTS-Autism:

1. CLTS-Other CY 2013 service expenses are recouped through allowable expense adjustments to CWA contracts.
2. CLTS-Autism ineligible CY 2013 service expenses are sent to the TPA, Wisconsin Physicians Service (WPS), for recoupment directly from providers.

CLTS-Other

CLTS-Other allowable expenses were adjusted by the ineligible service expenses reported by CWA's, which lowered allowable activity compared to contracted amounts. During the reconciliation process, CLTS fiscal staff identified a necessary, additional step for recoupment of the ineligible service expenses through the cash back adjustment process. Adjustments made to the CARS CLTS-Other allowable service activity is a reporting mechanism and does not actually make the adjustment. The new step of reporting the ineligible service expenses as cash back adjustments ensures that the ineligible service expenses are properly recouped in compliance with state and federal regulations. In addition, the final CY 2013 cash back adjustments will reflect allowable service activity adjustments, and assumes that CWAs do not refund these costs twice.

As a result of the updated process, CWAs with ineligible CLTS-Other service expenses will see two sets of adjustments to CARS profiles 828, 829, and 921. The first is a negative adjustments to CARS Profiles 828 (FED) and 829 (Local Match) and a corresponding positive local match

adjustment to CARS Profile 921 in order to merge existing CWA activity with the CWA's Basic County Allocation (BCA). While CARS Profile 921 typically defines CWA Tax Levy cash back adjustments, Tax Levy expenses were combined with Community Aids in CARS Profile 918 to reflect the two funding sources which were reported together in the reconciliation packet. This assures proper reporting of the cash back adjustments that represent ineligible service expenses and cost share collections. These cash back adjustments are made separately in a second series of adjustments to CARS Profiles 828, 829, and 921.

CLTS fiscal staff are considering ways to define a clearer and more permanent solution to align allowable expense adjustments with cash back adjustments for the CY 2014 reconciliation process.

CLTS-Autism

In addition to the final CY 2013 CLTS Reconciliation notification, some CWAs will also receive a document reporting ineligible CLTS-Autism service expenses that will be sent to the TPA for recoupment directly from providers. This does not include cost share collections. If a CWA does not receive this type of information, then the reconciliation process did not identify any ineligible CLTS-Autism service costs for recoupment, and no further CWA action is necessary.

CLTS fiscal staff requests that CWAs that receive documentation of ineligible CLTS-Autism service expenses carefully review these documents. DHS will send these service expenses to WPS for recoupment directly from providers by July 16, 2014. If CWA fiscal staff determine that a provider should still receive payment for the service because it was provided in good faith at the CWA's direction, then work with the provider to ensure appropriate payment of these services. Although DHS may not reimburse CWAs or providers for these services expenses, CWAs may reimburse providers directly using county funds when a county determines that payment is warranted.

For more information about waiver services paid during ineligible settings, please refer to [CLTS Resource and Information Bulletin \(CRIB\) Sheet #13-01](#).

CLTS fiscal staff will send the list of CLTS-Autism ineligible settings recoupments to WPS by 5 pm on Wednesday, July 16, 2014.

Please contact dhscltsfiscal@wisconsin.gov with any concerns or questions regarding the information provided in this memo.